



**State of Connecticut**  
**HOUSE REPUBLICAN OFFICE**  
STATE CAPITOL  
HARTFORD, CONNECTICUT 06106-1591

**Testimony on HB 5487**  
**Finance, Revenue, and Bonding Committee**  
**March 25, 2022**

Chairs Scanlon and Fonfara, Ranking Members Cheeseman and Martin, and distinguished members of the Finance, Revenue and Bonding Committee, we appreciate the committee raising ***HB 5487 An Act Concerning the Property Tax Credit***.

Our municipalities rely heavily on property taxes as a source of revenue to provide services and supports to their residents. Unfortunately, the level of state assistance to municipalities has been relatively stagnant over the years, and to fill budgetary gaps, municipalities raise property taxes or have to consider cutting certain services. Therefore, it's no surprise that Connecticut has some of the most onerous property taxes in the nation. Regardless of one's ability to pay, property taxes are due every year on residential, commercial, motor vehicle, and personal property. To help alleviate the impacts of the property tax on residents, those who meet certain requirements are eligible for a \$200 credit on their Connecticut income tax return. The amount of the credit has varied throughout the years.

This proposal increases the credit to \$400 from FY 22 to FY 23 and afterwards indexes the credit to inflation. Additionally, the proposal increases the income thresholds for the credit for married filers to \$80,000 phasing out the credit for every \$20,000 over that threshold. Going forward, the bill indexes the income thresholds for the credit to inflation as well.

House Republicans proposed a bill this session that would have increased the credit to \$500 and done away with the current restrictions on who can claim the credit on their Connecticut income tax return. We think this is a more appropriate approach given the negative impacts the property tax has on many middle-class residents. As mentioned before, property taxes are very regressive, and you have to pay them regardless of your ability to pay. Allowing all residents to claim the credit will provide some much-needed relief of the burden they have when they are paying the property tax. Given recent state budget surpluses and a record level of monies in our rainy day fund, we should be doing everything we can to help ease the burden of taxes here in this state. Providing residents with this level of tax relief is critical and should be seriously considered by the legislature.

We appreciate the committee raising a proposal to address this all-important issue and look forward to joining the conversation and sharing our ideas so that all residents can feel some tax relief.